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VIRGINIA BUSINESS REPORT

Note: No July issue of the Business Report

BUREAU OF BUSINESS RESEARCH, SCHOOL OF BUSINESS ADMINISTRATION
THE COLLEGE OF WILLIAM AND MARY, WILLIAMSBURG, VIRGINIA

Report No. 278 **June, 1983**

Business in Virginia May, 1983, Data

The economic recovery has arrived in Virginia. Almost all of the business indicators testify to it. Most important are checking account transactions which have up until now been in the doldrums for the most part. This time, though, when May of this year is compared with that of a year earlier, they rose 24.8 percent. As the slang statement would have it, "This is getting in the groove." These transactions, which are also known as bank debits to demand deposits, give an idea of how the total dollar volume of business is behaving. The year-to-date figure of these debits shows only an increase of 9.1 percent. The sluggishness of earlier months is thus apparent.

Also on the good side of the ledger are building permits. They were up 55.0 percent this May over last. Year-to-date shows 49.1 percent. This is a leading economic indicator, as obviously the permit comes first and the construction put in place later. What this barometer is saying, then, is that for the next six months or so the construction business in the Old Dominion should be in good shape, both residential and commercial.

New car registrations rose a bountiful 23.2 percent when this May is compared with May of 1982. Not one single city had a negative number. Dealers all over should be happy people in comparison with what they went through last year. Even the comparison of the first five months of this year with the same period of last year shows an increase of 20.1 percent.

Retail sales were up 9.8 percent this May over a year ago, which is good, but not all that great. A number of months earlier this year were much better as the five month comparison shows: up 12.5 percent.

Although it may be obscure, nonfarm employment picked up in May and climbed to a healthy 0.7 percent over a year earlier. This is the job market and it is showing strength. During the first quarter of this year it rested at zero, i.e., it was neither up nor down. Just sat on dead center. Then in April it rose 0.2 percent and was on its way. Then there is something else. Latest figures for Virginia (April) show unemployment way below national averages. Only 6.6 percent while the U. S. was at 10.0 percent, both on a seasonally unadjusted basis. The Commonwealth has had a marked drop from its high point of 9.0 percent in January. A lot of good pickups in shipbuilding, textiles, etc. but still trouble in mining in southwest Virginia. Interestingly, in April only five states had lower unemployment rates than we did.

Other good indicators were electricity consumed which on a year-ago basis was up 6.9 percent. Earlier months this year were negative and the full five month comparison shows a minus 1.1. percent. But this is rapidly changing as the wheels of business and industry begin to turn.

Newspaper advertising linage rose 7.0 percent which is a good change from earlier months. Water consumption was a negative 7.2 percent. Hardly any wonder with all of the rains that have been falling all over the state. The five month average too shows a negative figure: 6.7 percent. The Post Office seems to be doing well. Their receipts were up 7.7 percent in May and 5.6 percent for the first five months of this year. With all of that going on, it makes one wonder why they want to raise postal rates in the near future.

(Continued on the back page)

Chart I

Nine Selected Business & Economic Indicators Percentage Change

Percentage Change, May, 1982 from May, 1983

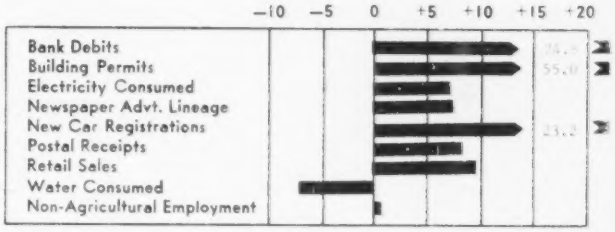
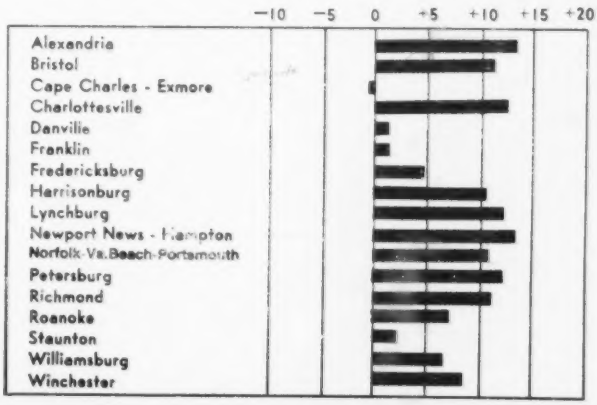


Chart II

City Indices

Percentage Change, May, 1982 from May, 1983



SELECTED BUSINESS AND ECONOMIC INDICATORS FOR 17 CITIES

TABLE I May 1983

Monthly Index Number Comparisons of Current Month to Same Month in Base Period (1977) - Base Period = 100

CITY	CITY INDEX*	BANK DEBITS	BUILDING PERMITS	ELECTRICITY CONSUMED	NEWS-PAPER ADV. LINAGE	NEW CAR REGIS-TRATIONS	NON AGRI-CULTURAL EMPLOYMENT	WATER CONSUMED	RETAIL SALES †	POSTAL RECEIPTS
The State		307.3	115.6	101.3	115.9	111.1	111.6	87.2	145.3	186.0
Alexandria	161.8	404.7	498.2	101.9	N.A.	126.6	125.3	97.5	146.1	N.A.
Bristol	129.8	304.0	24.4	86.8	106.4	83.2	N.A.	58.5	113.0	190.4
Cape Charles - Exmore	115.7	165.1	689.1	93.0	N.A.	74.9	N.A.	N.A.	116.6	126.9
Charlottesville	179.8	232.7	143.8	102.0	N.A.	133.6	N.A.	162.8	204.7	193.0
Danville	118.6	N.A.	28.3	105.7	101.0	95.1	N.A.	70.7	140.3	155.3
Franklin	116.2	N.A.	85.1	90.7	111.3	100.5	N.A.	115.9	115.5	164.4
Fredericksburg	151.9	170.4	42.3	N.A.	134.0	134.6	N.A.	56.4	176.9	189.0
Harrisonburg	159.6	187.3	367.9	N.A.	150.3	94.4	N.A.	132.3	177.3	180.8
Lynchburg	192.1	508.2	144.0	100.6	N.A.	109.1	N.A.	93.9	124.3	351.9
Newport News - Hampton	127.8	143.7	150.2	85.0	101.2	87.3	124.1	117.6	163.9	N.A.
Norfolk - Va. Beach - Portsmouth	150.2	254.2	165.9	99.2	111.3	105.0	115.4	68.8	199.4	N.A.
Petersburg	126.7	234.8	69.9	N.A.	77.8	78.2	N.A.	88.3	124.8	159.9
Richmond	136.6	295.3	N.A.	113.1	107.7	109.3	111.4	95.3	131.5	139.7
Roanoke	128.6	206.7	49.2	92.1	140.5	80.6	105.3	101.3	126.1	181.0
Staunton	113.3	97.8	38.3	N.A.	120.9	97.3	N.A.	N.A.	105.1	161.7
Williamsburg	130.8	165.2	100.5	125.0	N.A.	114.8	N.A.	95.7	122.9	176.8
Winchester	138.1	280.4	65.7	99.6	154.8	124.7	N.A.	118.0	99.3	167.6

TABLE II May 1983

Percentage Change from same month last year.

CITY	CITY INDEX*	BANK DEBITS	BUILDING PERMITS	ELECTRICITY CONSUMED	NEWS-PAPER ADV. LINAGE	NEW CAR REGIS-TRATIONS	NON AGRI-CULTURAL EMPLOYMENT	WATER CONSUMED	RETAIL SALES †	RETAIL SALES ‡
The State		24.8	55.0	6.9	7.0	23.2	0.7	-7.2	9.8	9.1
Alexandria	13.1	23.8	215.5	6.0	N.A.	24.1	3.6	1.4	15.2	11.3
Bristol	11.4	61.0	-68.6	8.9	-6.3	17.3	N.A.	-2.5	4.2	-0.9
Cape Charles - Exmore	-0.2	18.3	694.8	0.3	N.A.	19.4	N.A.	N.A.	-13.1	0.7
Charlottesville	12.4	25.6	-22.1	3.1	N.A.	34.9	N.A.	-10.7	11.2	6.0
Danville	1.1	N.A.	-53.6	3.7	12.2	35.6	N.A.	-21.7	-7.3	0.1
Franklin	1.1	N.A.	81.8	7.8	-3.4	16.7	N.A.	-6.5	-2.4	8.5
Fredericksburg	4.7	31.6	-6.8	N.A.	15.0	8.9	N.A.	-35.5	4.2	6.6
Harrisonburg	10.3	19.3	-39.5	N.A.	6.6	23.7	N.A.	14.7	2.5	46.3
Lynchburg	12.1	50.0	-1.2	4.7	N.A.	10.4	N.A.	-4.5	8.0	2.3
Newport News - Hampton	13.2	22.9	75.3	-0.3	0.5	26.4	4.0	0.8	21.6	10.0
Norfolk - Va. Beach - Portsmouth	10.5	11.5	37.2	5.7	8.5	28.2	2.3	-6.8	14.9	6.8
Petersburg	11.9	42.9	150.5	N.A.	4.0	24.1	N.A.	-19.1	10.4	12.6
Richmond	10.8	22.7	78.6	16.2	2.8	16.2	0.5	-12.3	17.1	7.5
Roanoke	6.7	6.6	174.9	6.1	14.7	34.0	0.8	-2.3	0.1	9.5
Staunton	2.2	13.8	138.0	N.A.	3.2	24.9	N.A.	N.A.	-9.6	8.9
Williamsburg	6.2	18.2	56.6	1.3	N.A.	27.1	N.A.	-2.6	-0.3	3.8
Winchester	8.2	27.5	289.0	4.5	18.9	7.6	N.A.	11.1	-1.4	6.5

TABLE III

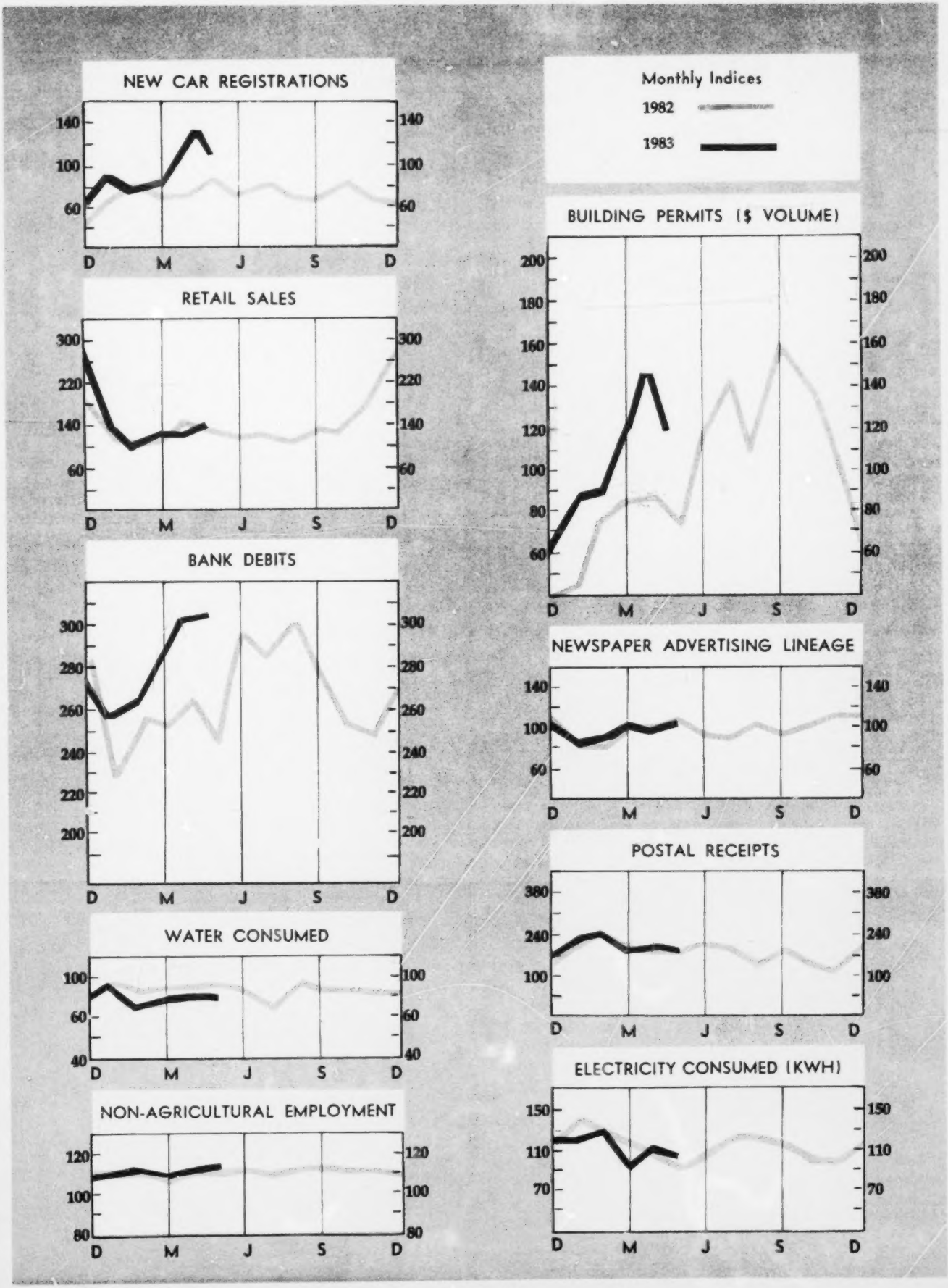
Percentage Change January - May from same period last year

CITY	CITY INDEX*	BANK DEBITS	BUILDING PERMITS	ELECTRICITY CONSUMED	NEWS-PAPER ADV. LINAGE	NEW CAR REGIS-TRATIONS	NON AGRI-CULTURAL EMPLOYMENT	WATER CONSUMED	RETAIL SALES †	Jan.-Apr. RETAIL SALES
The State		9.1	49.1	-1.1	3.8	20.1	0.2	-6.7	12.5	7.5
Alexandria	8.7	-9.6	133.5	-2.7	N.A.	21.8	3.6	5.8	16.8	9.0
Bristol	11.1	30.7	-47.6	-3.6	-1.4	39.9	N.A.	3.5	6.5	-4.6
Cape Charles - Exmore	6.4	13.8	191.3	-2.5	N.A.	26.9	N.A.	N.A.	0.1	6.0
Charlottesville	8.6	12.2	16.1	-3.2	N.A.	26.0	N.A.	-4.8	9.9	8.2
Danville	1.2	N.A.	-4.0	2.8	12.4	38.4	N.A.	-11.2	-11.3	4.7
Franklin	-2.5	N.A.	-8.7	1.1	-0.5	1.8	N.A.	-10.0	-3.2	0.2
Fredericksburg	11.9	37.9	180.9	N.A.	8.1	22.0	N.A.	-37.0	17.5	7.9
Harrisonburg	8.4	27.9	101.2	N.A.	6.4	20.5	N.A.	-1.7	1.8	37.4
Lynchburg	14.2	45.0	76.0	-1.7	N.A.	30.7	N.A.	-7.7	11.1	0.0
Newport News - Hampton	9.6	24.5	30.1	-2.5	-7.3	24.5	3.5	-4.4	17.1	6.7
Norfolk-Va. Beach-Portsmouth	10.4	19.4	43.5	-1.5	6.3	23.2	1.8	-7.1	17.2	8.0
Petersburg	17.2	55.3	32.8	N.A.	3.5	37.9	N.A.	-7.1	10.2	10.6
Richmond	7.8	7.8	7.6	2.5	-0.9	26.9	-0.1	-11.1	14.9	8.7
Roanoke	4.1	8.4	121.5	1.7	6.7	-28.6	0.4	1.2	15.7	5.7
Staunton	8.0	29.4	14.9	N.A.	4.9	13.6	N.A.	N.A.	0.1	3.7
Williamsburg	-0.2	-23.1	74.8	-4.0	N.A.	27.1	N.A.	-14.8	4.5	14.3
Winchester	8.9	21.1	64.8	-0.9	27.3	29.1	N.A.	4.6	-3.3	10.6

*Computation of City Index is based upon a weighted arithmetic mean of all business and economic components listed except Building Permits, which is excluded because of its highly erratic nature.

†Preliminary data based on a survey sample.

‡Revised data based on sales tax information which lags behind current reports.


NEW CAR REGISTRATIONS
140
100
60
D
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RETAIL SALES
300
220
140
60
BANK DEBITS
300
280
260
240
220
200
WATER CONSUMED
100
60
40
NON-AGRICULTURAL EMPLOYMENT
120
100
80
Monthly Indices
1982
1983
BUILDING PERMITS ($ VOLUME)
200
180
160
140
120
100
80
60
NEWSPAPER ADVERTISING LINEAGE
POSTAL RECEIPTS
380
240
100
ELECTRICITY CONSUMED (KWH)
150
110
70

What Shape Is the Earth?

(This article was written by Craig T. Forbes, who received an MBA from the College of William and Mary and is an economist with the Virginia Department of Taxation. The views expressed herein are his and not necessarily those of the Department.) L.E.T.

The flat tax: it sounds so easy! That nice, neat word *flat*, initially at least, may appear to represent the obvious cure-all for a complicated income tax system in the U.S. and elsewhere. The 1981 Virginia General Assembly seriously considered a flat tax proposal (House Bill 1638 which passed the House of Delegates but died in the Senate Finance Committee). The flat tax was certainly a popular national issue in 1982. Yet, most states and the federal government have not enacted a flat individual income tax. Why not?

The major reason for general Congressional or legislative failure to adopt such a proposal is that no true definition of a flat tax exists. In fact, the term "flat tax" is so vague that the range of flat tax options is infinite. Consequently, when politicians, economists and/or taxpayers begin to study this agreement on the necessities of any flat tax proposal becomes very difficult to achieve. A 1982 Harris poll revealed, for instance, that while over 60 percent of the general public would use a flat tax to broaden today's federal income tax base significantly, at least 65 percent of those same persons do *not* favor elimination of any itemized deductions currently allowed. In other words, "It sure would be nice to have an easier way to calculate taxable income, but do not take away *my* deductions." This lack of consistent public opinion has kept many politicians at all levels of government from taking a definite stance on the flat tax issue. During flat tax hearings at the Congressional Senate Finance Committee in September, 1982, most Senators and the Reagan Administration specifically stated that they did not plan an initiative in this area.

Nevertheless, the issue obviously merits the attention of taxpayers, because several Congressmen *did* introduce flat tax bills in 1982. In addition the Virginia General Assembly, through a joint individual income tax study committee, is currently studying 1981 House Bill 1683, introduced by Delegate Johnny S. Joannou, D-Portsmouth. Clearly, passage of any of the federal or Virginia flat tax proposals would constitute a substantial change from current individual income tax structure. The possibilities are almost limitless and some of the actual proposals when given in detail shed a much better understanding of what a flat tax could mean to Virginia taxpayers.

In regard to federal proposals, the greatest potential effect on Virignia individual income taxes would come from income base changes. The questions of "What is total income?" and "What is taxable income?" existed in Virginia long before Congress passed the Sixteenth Amendment to the Constitution in 1913. This Amendment allowed a national individual income tax. Only since 1972, however, has Virginia agreed with the federal definition of income. Thus, by conforming to federal "adjusted gross income," Virginia also complies with any federal *changes* to its income definition.

Of about twelve flat tax bills in Congress in 1982, two served as the basis for most of the others: the Crane-Helms "Flat Rate Tax Act of 1982," and the Bradley-Gephardt "Fair Tax Act of 1982." Both bills suggested major income base changes, but their approaches were significantly different.

Crane-Helms proposed keeping the current definition of ajusted gross income. This proposal would repeal all exemptions, exclusions, credits, and deductions other than a personal and dependent exemption of $2000. Using a sampling model of the Virginia individual income tax, we can simulate the effects of the Crane-Helms proposal on Virginia taxpayers. If we apply a single tax rate to its taxable income base, with the idea of producing revenues equal to those under the current Virginia structure, we find that low and some middle income taxpayers would be greatly disadvantaged. On the whole Virginians with annual incomes below $30,000 would pay more Virginia income tax than they pay today.

The Bradley-Gephardt bill, for which we cannot use the sampling model, can still be compared with the proposed income tax structure changes in the Crane-Helms option. First, where Crane-Helms avoid such, Bradley-Gephardt *would* change adjusted gross income. Bradley-Gephardt would add back three items *not now* included in the definition of income: one-third of employer provided health insurance premiums, all unemployment compensation, and all disability pay. Additionally, Bradley-Gephardt proposed to omit three itemized deductions now permitted nationally and in Virginia: any medical expenses less than ten percent of adjusted gross income (as redefined by them), payments of general sales and personal property taxes, and the 60 percent net-long term capital gains not now taxed. As more proof of the potential variety in "flat tax" proposals, the Bradley-Gephardt bill combined a single rate for all taxpayers with a graduated surtax for persons whose income exceeds certain levels. These changes would mean an estimated increase in the income base of $2.2 billion, which under the current rate structure could provide an additional $70 million to $126 million in individual income tax revenue for Virginia.

Finally, on the state level, Virginia has examined and continues to examine a flat tax proposal by one of its legislators—1981 House Bill No. 1638. Similar to Crane-Helms, the Joannou bill repealed all current exemptions, deductions, credits, and exclusions. Instead, one $4,500 deduction for each taxpayer and another for $4,500 for each spouse would be given. The tax rate was set at a flat 4.75 percent. Again using the sampling model, we find that this bill would cause those with incomes under $10,000 to pay *less* tax than now being paid, unlike the Crane-Helms proposal. For most other income levels the Joannou proposal would cause tax liability to change by only 1.0 percent to 3.5 percent.

Thus, the flat tax may not represent a simple solution to a complicated income tax system. Everyone envisions a different idea of "flat." Even two proposals which may seem similar in their approach to change of the current structure (Crane-Helms and Joannou), produce widely different effects on persons with equal incomes. Also, a flat tax does not necessarily require a single tax rate (Bradley-Gephardt). Just as those scientists and explorers five and six hundred years ago who debated the true shape of the Earth, once we test the waters we may find that the flat tax is indeed "not flat." C.T.F.

Prepared by the Bureau of Business Research
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VIRGINIA BUSINESS REPORT

BUREAU OF BUSINESS RESEARCH, SCHOOL OF BUSINESS ADMINISTRATION
THE COLLEGE OF WILLIAM AND MARY, WILLIAMSBURG, VIRGINIA

Report No. 279 **August, 1983**

Business in Virginia June-July, 1983, Data

Business in Virginia for the summer months of June and July turned out to be splendid. Bank debits to demand deposits (i.e., checking account transactions) rose 21.5 percent in June and 32.2 percent in July over the same months of last year. Earlier this year these indicators were running at increases of only 10 to 12 percent and at one time (February) of only 1.5 percent. The pickup began in May and has gone forward since then.

Various cities that have shown strength recently have been Charlottesville, Fredericksburg, Lynchburg, Norfolk-Virginia Beach-Portsmouth, Richmond, and Winchester.

Also on the strong side of the ledger have been building permits. In June they were up 91.3 percent and in July a healthy but not quite so high 70.6 percent over a year ago. Perhaps some of the reason for the decline is what has been happening in interest rates. Earlier this summer, mortgage rates, for example, rose approximately 2 percent points. This was enough to scare some home builders. Since then, VHA and FHA rates have fallen. If this trend in these and other interest rates continues, it could give considerable hope and strength to the construction business.

It is interesting to note that electricity consumed rose a modest 4.6 percent in June of this year over that of last, but when the blast of summer heat arrived consumption rose to 10.3 percent over that of last year. At the moment there do not appear to be serious problems or brownouts, but capacities are in process of being strained.

Newspaper advertising linages have showed substantial increases so far this summer. June rose 16.1 percent over last year's sixth month and 13.1 percent this July as opposed to last. The results for retail sales, however, have been disappointing. They rose 12.1 percent in June over a year ago and only 6.4 percent this July over last. But some of this may have been a bit of caution in the air and a bit of the summer doldrums, as people headed for the beaches instead of the department stores. Back-to school sales in August should reverse some of these trends. Income and installment buying are holding up well and unemployment continues to drop. The Commonwealth is among the five or six states that is at the bottom of the entire nation in unemployment rates.

Among the very strong economic indicators that have jumped to the fore this summer have been new car registrations. In June they were up 24.9 percent and in July a resounding 50.5 percent, both over a year ago. When one thinks how the auto dealers have suffered over the past couple of years, this is a most welcome relief. All cities were in the black and two of them, Charlottesville and Danville, broke the 100 percent mark.

Another indicator to brag about was nonagricultural employment. For June this barometer rose 1.2 percent and for July 1.4 percent over last year. This is the jobs market and the increases have been good.

Water consumption took a sharp jump in July. It rose only 1.2 percent in June but in July the increase was a tremendous 9.8 percent. This shows what sweltering heat and drought can do to yards and gardens.

Postal receipts were up 13.5 percent in June but only 0.5 percent in July. This is quite a change.

Finally, on a very happy note consumer prices rose only 3.2 percent on an annual rate basis. For the year price increases have been low. The best in 17 years. LET

Chart I

Nine Selected Business & Economic Indicators Percentage Change

Percentage Change July, 1982 from July, 1983

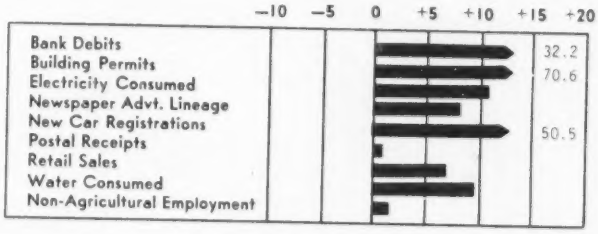

Chart II

City Indices

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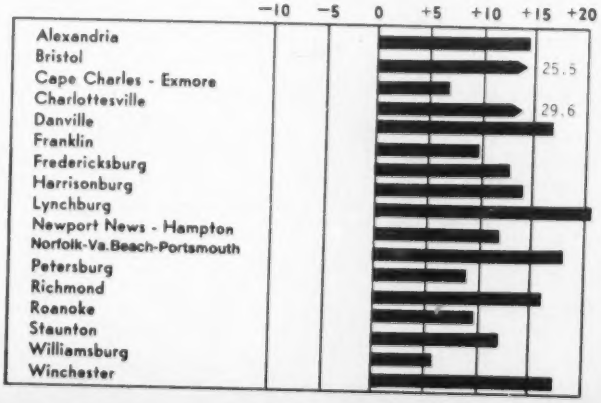

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Cape Charles - Exmore	141.2	174.6	702.9	N.A.	N.A.	69.8	N.A.	N.A.	142.1	176.5
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Danville	121.8	N.A.	121.4	116.8	114.3	75.2	N.A.	91.7	146.4	137.5
Franklin	120.1	N.A.	169.0	100.3	105.8	87.2	N.A.	112.7	126.2	176.1
Fredericksburg	159.6	163.1	248.1	N.A.	124.5	136.2	N.A.	62.2	185.1	235.6
Harrisonburg	145.3	204.5	261.1	N.A.	112.8	83.2	N.A.	108.4	158.4	178.1
Lynchburg	230.3	498.0	148.3	160.6	N.A.	96.6	N.A.	105.1	128.2	597.8
Newport News - Hampton	133.5	225.1	141.2	99.3	116.2	78.8	123.9	125.9	144.1	N.A.
Norfolk - Va. Beach - Portsmouth	143.0	289.8	249.6	118.0	110.6	89.6	116.3	50.1	170.9	N.A.
Petersburg	115.6	170.2	59.4	N.A.	101.0	76.8	N.A.	95.4	111.5	146.6
Richmond	139.2	375.2	N.A.	124.4	98.8	99.2	112.9	111.2	105.1	154.9
Roanoke	134.1	300.0	221.9	61.9	132.9	73.7	105.5	102.3	128.8	178.0
Staunton	117.0	131.5	471.2	N.A.	62.8	72.9	N.A.	N.A.	133.2	152.3
Williamsburg	151.4	178.2	412.7	139.4	N.A.	116.7	N.A.	99.2	127.5	295.3
Winchester	136.2	295.9	78.3	105.5	151.5	99.2	N.A.	108.1	98.7	169.6

TABLE II June 1983

Percentage Change from same month last year.

CITY	CITY INDEX*	BANK DEBITS	BUILDING PERMITS	ELECTRICITY CONSUMED	NEWS-PAPER ADV. LINAGE	NEW CAR REGIS-TRATIONS	NON AGRI-CULTURAL EMPLOYMENT	WATER CONSUMED	RETAIL SALES †	May RETAIL SALES ‡
The State		21.5	91.3	4.6	16.1	24.9	1.2	1.2	12.1	12.3
Alexandria	13.4	11.1	275.7	3.1	N.A.	22.4	3.7	0.9	22.1	20.7
Bristol	18.7	21.2	104.3	-4.7	-1.8	18.3	N.A.	30.4	28.8	-2.1
Cape Charles - Exmore	18.6	21.3	673.3	N.A.	N.A.	35.0	N.A.	N.A.	12.3	11.8
Charlottesville	17.1	38.4	-79.7	-0.9	N.A.	48.0	N.A.	1.6	10.8	5.1
Danville	9.4	N.A.	-10.8	10.1	14.6	48.7	N.A.	4.4	-4.0	-10.7
Franklin	4.3	N.A.	24.2	3.9	5.0	-10.7	N.A.	-3.5	11.9	6.5
Fredericksburg	13.2	16.5	132.9	N.A.	16.4	26.0	N.A.	-25.3	19.6	13.7
Harrisonburg	10.7	12.4	65.9	N.A.	9.4	24.4	N.A.	2.4	8.8	40.9
Lynchburg	14.0	33.5	-18.5	0.3	N.A.	49.0	N.A.	-7.0	7.3	8.1
Newport News - Hampton	14.2	16.8	-1.2	2.4	31.1	9.1	4.9	16.6	15.8	8.0
Norfolk - Va. Beach - Portsmouth	12.8	38.6	71.4	1.2	13.3	23.7	2.6	-4.9	13.7	15.1
Petersburg	19.4	29.7	330.3	N.A.	41.1	44.1	N.A.	-3.1	7.9	7.5
Richmond	10.9	16.1	261.5	15.1	8.7	24.1	0.7	0.7	10.9	16.3
Roanoke	10.9	25.8	-38.7	2.1	23.3	43.7	1.9	-9.0	3.3	8.6
Staunton	8.6	12.8	573.2	N.A.	-1.1	14.8	N.A.	N.A.	8.4	-5.5
Williamsburg	11.7	6.9	572.1	0.6	N.A.	57.3	N.A.	7.6	3.2	6.9
Winchester	7.9	19.3	193.2	6.4	16.8	21.4	N.A.	6.5	-2.1	17.8

TABLE III

Percentage Change January - June from same period last year

CITY	CITY INDEX*	BANK DEBITS	BUILDING PERMITS	ELECTRICITY CONSUMED	NEWS-PAPER ADV. LINAGE	NEW CAR REGIS-TRATIONS	NON AGRI-CULTURAL EMPLOYMENT	WATER CONSUMED	RETAIL SALES †	Jan.-May RETAIL SALES
The State		12.9	50.9	-0.2	5.8	21.1	0.4	-5.4	8.6	8.6
Alexandria	9.3	-7.7	158.0	-1.8	N.A.	21.9	3.6	4.9	17.9	11.6
Bristol	12.4	29.0	-35.0	-3.7	-1.5	35.1	N.A.	8.4	10.5	-4.0
Cape Charles - Exmore	10.1	15.1	257.4	N.A.	N.A.	28.6	N.A.	N.A.	2.3	7.4
Charlottesville	10.1	16.2	-12.6	-2.9	N.A.	30.9	N.A.	-3.7	10.0	7.5
Danville	2.6	N.A.	-5.6	4.1	12.8	40.4	N.A.	-8.6	-10.1	1.2
Franklin	-1.4	N.A.	-1.5	1.5	0.4	-1.3	N.A.	-8.8	-0.6	1.7
Fredericksburg	12.4	35.8	169.8	N.A.	9.4	22.9	N.A.	-35.0	17.9	9.2
Harrisonburg	8.8	25.3	89.0	N.A.	6.9	21.3	N.A.	-1.1	3.0	38.1
Lynchburg	14.2	43.0	51.6	-1.4	N.A.	34.4	N.A.	-7.6	10.4	1.7
Newport News - Hampton	10.3	23.0	23.7	-1.7	-3.0	21.0	3.8	-0.9	16.9	7.0
Norfolk - Va. Beach - Portsmouth	11.2	26.3	49.0	-1.1	7.5	23.3	1.9	-6.7	16.5	9.6
Petersburg	17.7	51.5	59.0	N.A.	10.0	39.3	N.A.	-6.5	9.8	9.9
Richmond	8.2	9.2	-0.9	4.4	0.7	26.3	0.1	-9.1	14.1	10.3
Roanoke	3.7	15.6	89.1	1.8	9.5	-19.7	0.7	-0.7	8.8	6.3
Staunton	8.0	25.7	126.1	N.A.	3.8	13.9	N.A.	N.A.	1.5	1.5
Williamsburg	1.9	-18.5	159.9	-3.2	N.A.	33.2	N.A.	-10.8	4.2	11.9
Winchester	8.7	20.8	83.2	0.2	25.3	27.5	N.A.	4.9	-3.1	12.3

*Computation of City Index is based upon a weighted arithmetic mean of all business and economic components listed except Building Permits, which is excluded because of its highly erratic nature.

†Preliminary data based on a survey sample.

‡Revised data based on sales tax information which lags behind current reports.

SELECTED BUSINESS AND ECONOMIC INDICATORS FOR 17 CITIES

TABLE I July 1983

Monthly Index Number Comparisons of Current Month to Same Month in Base Period (1977) - Base Period = 100

CITY	CITY INDEX*	BANK DEBITS	BUILDING PERMITS	ELECTRICITY CONSUMED	NEWS-PAPER ADV. LINAGE	NEW CAR REGIS-TRATIONS	NON AGRI-CULTURAL EMPLOYMENT	WATER CONSUMED	RETAIL SALES †	POSTAL RECEIPTS
The State		377.7	242.4	134.5	102.1	123.6	112.4	84.8	141.5	220.1
Alexandria	212.7	768.1	523.4	149.2	N.A.	155.5	125.9	130.8	124.1	N.A.
Bristol	127.1	247.7	34.1	83.4	94.3	53.9	N.A.	93.8	128.9	184.4
Cape Charles - Exmore	124.9	161.6	625.4	102.5	N.A.	86.5	N.A.	N.A.	128.3	138.6
Charlottesville	183.8	252.0	278.2	123.2	N.A.	161.0	N.A.	137.3	209.6	167.8
Danville	122.3	N.A.	432.4	122.9	61.1	119.3	N.A.	85.4	141.7	164.5
Franklin	125.3	N.A.	180.1	116.9	94.6	172.3	N.A.	124.1	112.9	156.0
Fredericksburg	153.3	198.3	138.8	N.A.	123.9	139.7	N.A.	70.2	169.8	184.5
Harrisonburg	133.4	178.6	249.8	N.A.	89.6	112.6	N.A.	118.4	131.1	174.5
Lynchburg	193.9	465.3	132.3	107.8	N.A.	127.4	N.A.	116.0	128.1	359.1
Newport News - Hampton	132.9	201.3	129.9	120.9	96.7	88.5	122.1	132.6	144.7	N.A.
Norfolk - Va. Beach - Portsmouth	169.8	410.6	269.0	149.3	103.7	110.3	118.2	88.7	182.6	N.A.
Petersburg	103.7	149.9	N.A.	N.A.	64.1	49.4	N.A.	117.4	103.8	137.3
Richmond	147.4	372.1	N.A.	149.2	92.0	104.4	111.3	127.3	121.4	153.1
Roanoke	138.3	281.3	234.9	116.6	116.1	79.5	10[illegible].1	115.1	129.1	179.1
Staunton	125.1	127.7	92.3	N.A.	110.8	99.2	N.A.	N.A.	124.5	164.5
Williamsburg	128.9	99.1	163.9	166.4	N.A.	146.9	N.A.	107.5	114.4	168.2
Winchester	143.3	301.9	66.3	110.4	148.7	139.5	N.A.	120.4	99.3	171.2

TABLE II July 1983

Percentage Change from same month last year.

CITY	CITY INDEX*	BANK DEBITS	BUILDING PERMITS	ELECTRICITY CONSUMED	NEWS-PAPER ADV. LINAGE	NEW CAR REGIS-TRATIONS	NON AGRI-CULTURAL EMPLOYMENT	WATER CONSUMED	RETAIL SALES †	June RETAIL SALES ‡
The State		32.2	70.6	10.3	13.1	50.5	1.4	9.8	6.4	10.0
Alexandria	14.6	13.0	243.0	9.5	N.A.	56.9	3.5	-4.0	12.6	10.6
Bristol	25.5	10.7	-40.4	6.1	-1.6	61.4	N.A.	40.8	28.9	10.1
Cape Charles - Exmore	6.8	9.5	42.3	5.6	N.A.	68.6	N.A.	N.A.	-14.3	21.7
Charlottesville	29.6	48.6	161.0	8.9	N.A.	101.0	N.A.	14.0	11.6	-0.5
Danville	16.3	N.A.	-31.5	8.2	14.6	123.8	N.A.	-6.3	-8.7	17.1
Franklin	9.1	N.A.	168.4	1.4	-3.8	87.9	N.A.	5.3	-9.1	-8.1
Fredericksburg	12.4	45.7	22.6	N.A.	9.9	32.5	N.A.	-19.2	6.0	15.6
Harrisonburg	14.1	12.0	703.1	N.A.	1.7	63.7	N.A.	16.4	1.6	55.5
Lynchburg	20.5	31.3	85.8	6.2	N.A.	90.7	N.A.	1.6	4.5	4.8
Newport News - Hampton	11.8	5.9	-46.7	9.5	15.1	29.8	4.7	18.4	7.5	9.5
Norfolk - Va. Beach - Portsmouth	17.9	50.4	99.0	7.4	16.7	40.2	3.4	10.7	10.8	12.2
Petersburg	8.3	-1.9	N.A.	N.A.	-1.0	45.2	N.A.	10.4	1.7	7.3
Richmond	15.9	30.3	44.8	22.7	8.4	32.0	1.1	19.9	9.5	4.2
Roanoke	9.9	29.2	162.8	1.2	17.6	40.7	3.7	-7.8	1.6	-2.1
Staunton	12.0	14.5	-65.3	N.A.	11.9	60.5	N.A.	N.A.	-5.0	17.1
Williamsburg	5.3	-46.0	145.4	3.4	N.A.	81.6	N.A.	0.0	-0.6	2.0
Winchester	17.2	21.0	62.9	10.4	25.8	70.3	N.A.	12.3	-0.7	29.4

TABLE III

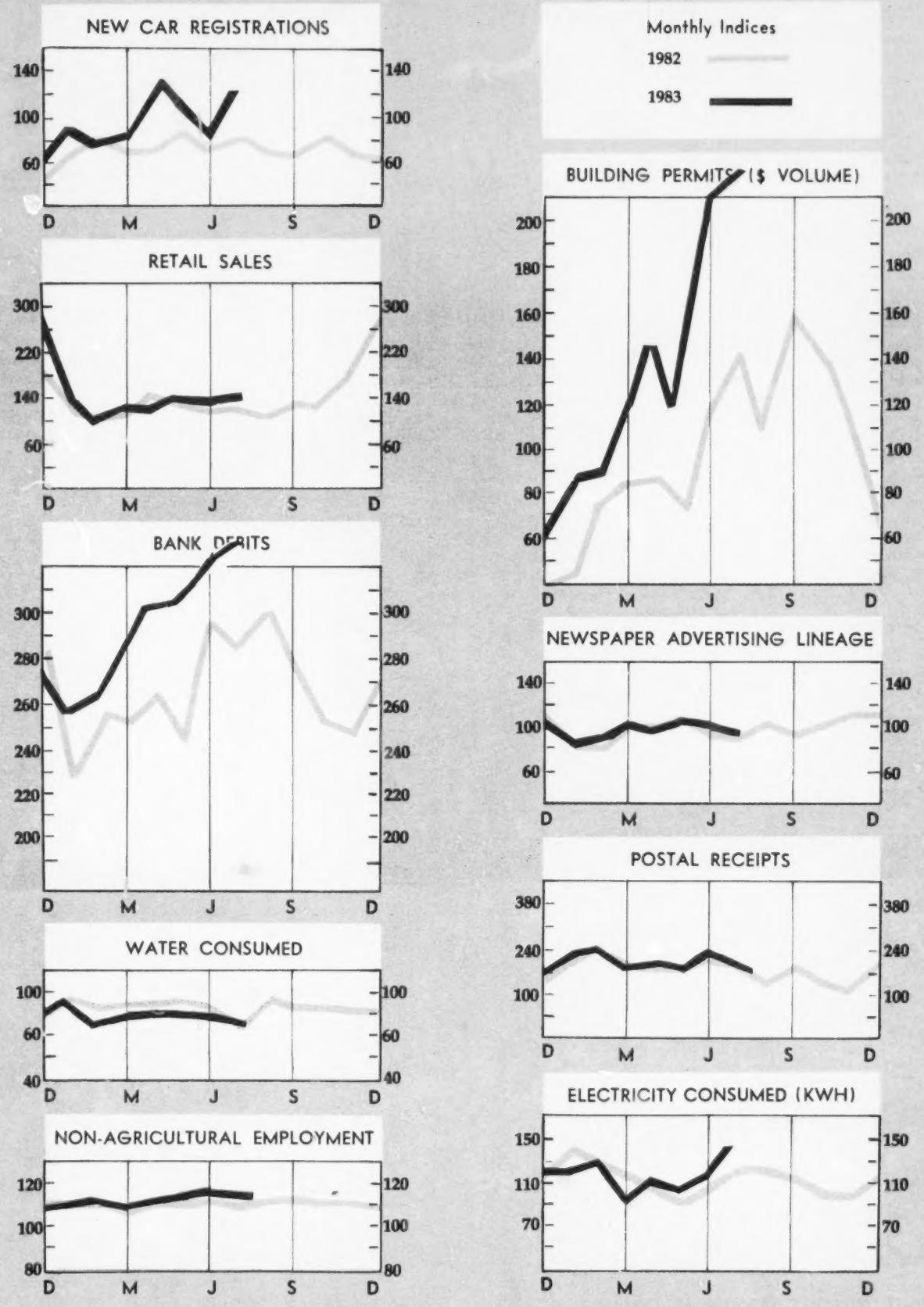
Percentage Change January - July from same period last year

CITY	CITY INDEX*	BANK DEBITS	BUILDING PERMITS	ELECTRICITY CONSUMED	NEWS-PAPER ADV LINAGE	NEW CAR REGIS-TRATIONS	NON AGRI-CULTURAL EMPLOYMENT	WATER CONSUMED	RETAIL SALES †	Jan-June RETAIL SALES
The State		16.3	54.1	1.2	6.7	24.8	0.6	-3.0	11.6	8.9
Alexandria	9.8	-6.2	170.3	-0.1	N.A.	26.6	3.6	3.3	17.1	11.4
Bristol	14.2	26.2	-35.8	-2.6	-1.5	38.3	N.A.	13.2	13.4	-1.7
Cape Charles - Exmore	7.6	14.3	171.4	-0.8	N.A.	33.5	N.A.	N.A.	-0.5	10.1
Charlottesville	12.6	20.8	-6.0	-1.2	N.A.	38.7	N.A.	-1.1	10.3	6.2
Danville	4.2	N.A.	-18.9	4.8	13.1	49.7	N.A.	-8.2	-9.9	3.8
Franklin	-0.5	N.A.	32.8	1.5	-0.2	7.5	N.A.	-6.6	-1.9	0.2
Fredericksburg	12.2	36.6	135.7	N.A.	9.5	24.2	N.A.	-32.7	16.0	10.3
Harrisonburg	9.4	23.2	128.2	N.A.	6.2	26.5	N.A.	1.2	2.8	41.0
Lynchburg	14.9	41.3	54.8	-0.4	N.A.	41.1	N.A.	-6.2	9.5	2.2
Newport News - Hampton	10.1	20.3	5.3	0.0	-1.2	22.0	3.9	2.2	14.5	7.4
Norfolk - Va. Beach - Portsmouth	12.6	34.0	56.7	0.2	8.8	25.4	2.1	-4.0	15.7	10.1
Petersburg	16.4	44.5	N.A.	N.A.	8.6	40.0	N.A.	-4.0	8.6	9.5
Richmond	9.4	12.7	3.4	7.2	1.7	27.0	0.2	-4.7	13.5	9.3
Roanoke	5.5	19.3	110.9	-0.6	10.5	-14.9	1.2	-2.0	12.1	4.9
Staunton	8.2	23.7	43.6	N.A.	4.9	19.1	N.A.	N.A.	0.5	3.9
Williamsburg	2.3	-22.7	157.6	-2.2	N.A.	39.1	N.A.	-8.9	3.5	9.6
Winchester	9.7	20.8	79.6	1.5	25.4	32 6	N.A.	6.0	-2.8	15.0

*Computation of City Index is based upon a weighted arithmetic mean of all business and economic components listed except Building Permits, which is excluded because of its highly erratic nature.

†Preliminary data based on a survey sample.

‡Revised data based on sales tax information which lags behind current reports.


NEW CAR REGISTRATIONS
140
100
60
D
M
J
S
D
RETAIL SALES
300
220
140
60
BANK DEBITS
300
280
260
240
220
200
WATER CONSUMED
100
60
40
NON-AGRICULTURAL EMPLOYMENT
120
100
80
Monthly Indices
1982
1983
BUILDING PERMITS ($ VOLUME)
200
180
160
140
120
100
80
60
NEWSPAPER ADVERTISING LINEAGE
POSTAL RECEIPTS
380
240
100
ELECTRICITY CONSUMED (KWH)
150
110
70